

A light blue silhouette of the Fresno skyline, featuring several prominent skyscrapers and a mountain range in the background, serves as a backdrop for the title.

ECONOMIC DEVELOPMENT AND FISCAL SUSTAINABILITY

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Director of Economic Development

General Plan Implementation Review Committee, February 4, 2020



OBJECTIVE ED-1

Support economic development by maintaining a strong working relationship with the business community and improving the business climate for current and future businesses

Partnerships

Job Creation

- **Fresno County Economic Development Corp.**
- Inland California Rising and Valley to Valley initiative
- Downtown Fresno Partnership PBID
- GoBiz

Workforce Development

- Manufacturing Alliance
- Small Business Administration
- Workforce Development Board
- FUSD/FCOE/ SCCCD/ FSU/ UCSF/Pacific University

Housing & Community

- Saint Rest Community EDC
- Fresno Metro Ministry
- Chinatown Foundation
- Central Valley Community Foundation
- Fresno Arts Council
- Fresno Housing Authority

Infrastructure

- Better Blackstone (Southern Blackstone Smart Mobility Strategy)
- San Joaquin Valley Air Pollution Control District
- PG&E

Funding & Advocacy

Transformative Climate Communities Program

- \$66.5M Master Grant Agreement signed in 2019; funding allocated to 22 partners

Measure C Transit-Oriented Development program

- Measure C TOD \$880K/year on average

Hosted California Economic Summit in November 2019

- Governor in attendance to focus on importance of regional strategy and Central Valley leaders

Hosted Job Fair at Orange Center School

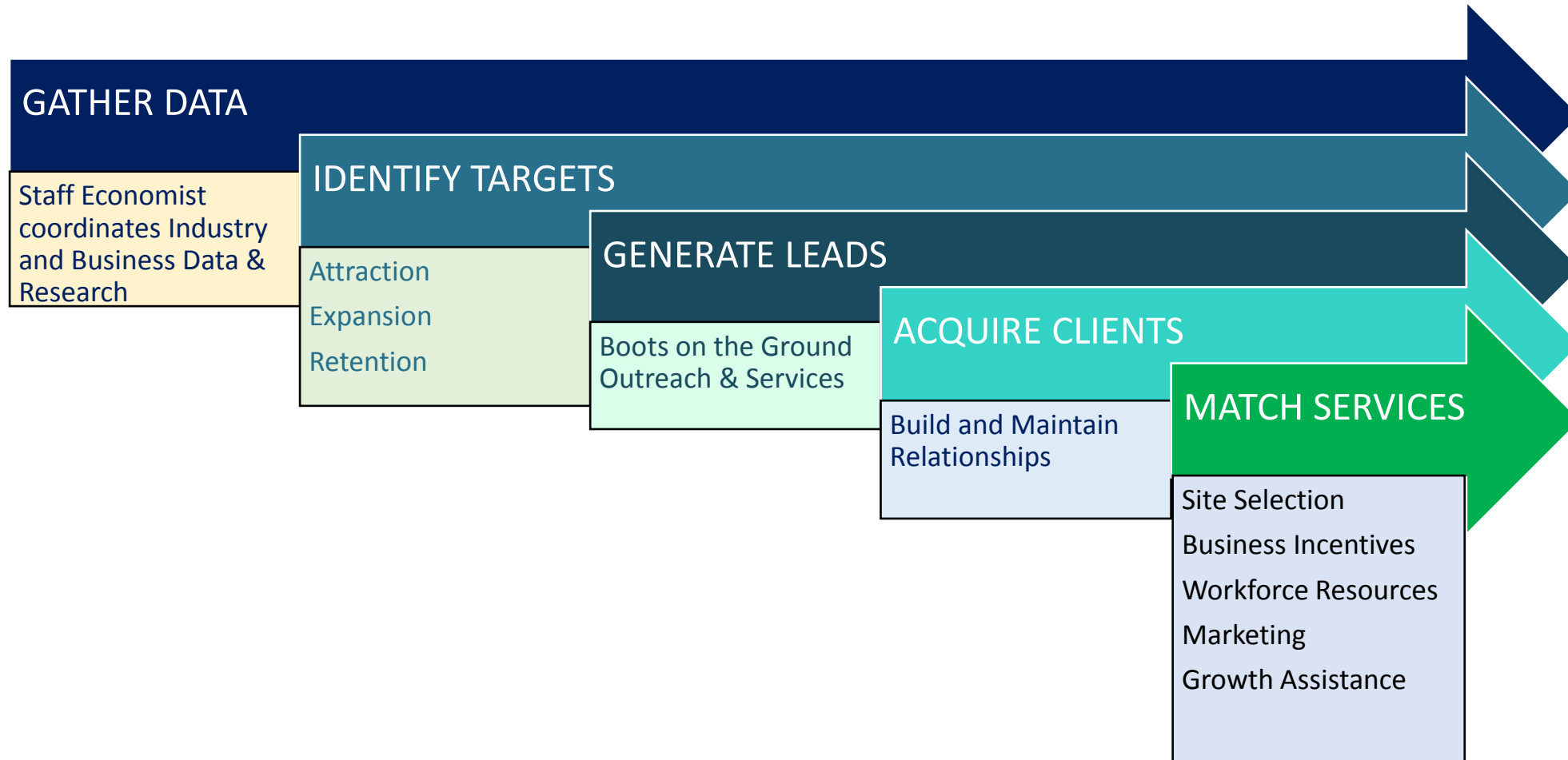
- 17 businesses, more than 700 participants

Highlight: EDC Services

City of Fresno contracts with the Fresno County EDC to further the City's Economic Development Goals, including:

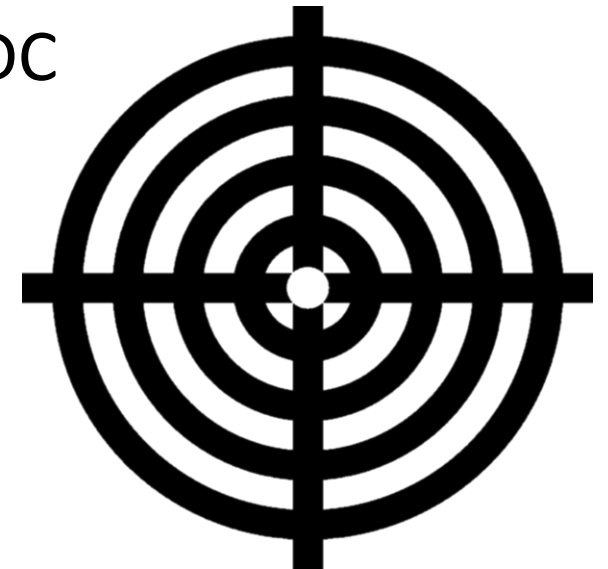
- Assist in marketing the City and its industrial parks
- Help attract, retain and expand industrial and value added manufacturers
- Communicate leads to the city and facilitate the site selection process in conjunction with both agencies
- Create a business expansion and retention plan that is data-driven, conducting targeted outreach among local businesses poised for growth
- Participate in trade shows with the City and create and update marketing collateral, such as economic profiles when necessary

EDC's Data-Driven Process



EDC Targeted Outreach

- EDC helps identify businesses in City of Fresno that have the greatest potential for growth
- Using a regression analysis, EDC Staff Economist prepares a predictive model on employment, estimating the likelihood of a business to expand or decline
- Targeted Business Analysis allows City of Fresno and EDC staff to coordinate focused engagements among local businesses poised for growth or a decline



EDC City of Fresno Leads Generated

EDC Leads Generated:

2018-2019: 52

2019-2020: 18 (to date)

Notable Project Successes:

Project Phoenix (2019) – Client engaged through Targeted Outreach in 2018. Project represents consolidation of out-of-state sister company, which will create 83 skilled, blue collar manufacturing jobs avg. \$55,000 a year.

Surya (2019) – E-commerce attractions client locating in 200,000SF and creating 70 new positions with starting wages beginning at \$16/hr.

OBJECTIVE ED-2

Support local business startups and encourage innovation by improving access to resources and capital and help overcome obstacles hampering economic development

City Programs

- Business Startup Guide
- **FAASTER & Money Back Guarantee**
- Economic Expansion Act
- \$800K Revolving Loan Fund
- **Job Fairs**
- **Business Education Seminars**
- **Opportunity Fresno**
- **EIFD + CRIAs analysis and pending feasibility study**

Cheerleading

- Bitwise business expansion to a four building campus
- Launch of the Pi Shop
- Access + Capital, CenCal Financial, SCORE for Technical Assistance
- Fresno Pacific - Social Enterprise Academy
- **New Vision Aviation & Fresno Flight Training**
 - Pilot training, electric airplanes

Highlight: Money-Back Guarantee

| | Total | % |
|--|-------|--------|
| Applications Submitted/Opened | 4494 | - |
| Applications Subject to Money Back Guarantee | 4320 | - |
| Currently In Completeness Review | 50 | - |
| Currently Rejected | 243 | - |
| Currently In Review | 98 | - |
| Cancelled | 32 | - |
| On Hold | 1 | - |
| Completed | 3845 | - |
| Completed Before or On Project Due Date | 3796 | 99.24% |
| Completed After Project Due Date | 29 | 0.76% |
| Current or Previous Rejections | 468 | 10.83% |

From 05/01/2019 to 02/03/2020

Highlight: Opportunity Fresno

- Soon to be published digital prospectus; goal is to activate equity capital in projects creating economic and community value



OPPORTUNITY FRESNO
AN INITIATIVE FOR INVESTMENT IN FRESNO COUNTY

POWERED BY



Highlight: Tax-Increment Financing Feasibility Analysis

- Sponsored by Councilmember Esparza, City of Fresno staff working with Kosmont Companies on feasibility analysis
- Tax increment financing allows for city governments to count on future property tax revenue to pay for redevelopment, infrastructure expansion or other catalytic investments
- Aligns perfectly with Opportunity Zones

OBJECTIVE ED-3

Attract and recruit businesses and offer incentives for economic development

Incentives

- **iDIFER**
 - Industrial Development Impact Fee Elimination/Reduction
- PG&E's **Enhanced Economic Development Rate**
 - 25% reduction to businesses that California risks losing
- Governor's **Economic Development Initiative**
 - *California Competes, New Employment Credit, Sales & Use Tax Credit for Manufacturing*
- **HUBzone and Foreign Trade Zone**

New Businesses and Expansions

| Company | Type | Project Size (SF) | New Jobs | Investment \$ |
|----------------------|-----------|-------------------|----------|---------------|
| Amazon.com | New | 855,000 | 2,500 | \$200M |
| ULTA Beauty | New | 670,000 | 642 | \$110M |
| GAP | Expansion | - | 515 | \$100M |
| OK Produce | Expansion | 314,915 | 100 | - |
| Bitwise Industries | Expansion | 300,000 | 100 | \$30M |
| Valley Wide Beverage | Expansion | 225,000 | 50 | - |
| Tires Warehouse | New | 122,000 | 60 | \$50M |
| Scelzi Enterprises | Expansion | 80,000 | 100 | \$4M |
| Cintas Corp | Expansion | 55,000 | 60 | \$20M |
| Brenntag Pacific | Expansion | 53,787 | 22 | \$9M |
| Lightning Source | New | 50,000 | 25 | - |
| Caylym Technologies | Expansion | 41,000 | 53 | \$3.5M |
| Aetna Health | Expansion | - | 225 | \$29.1M |



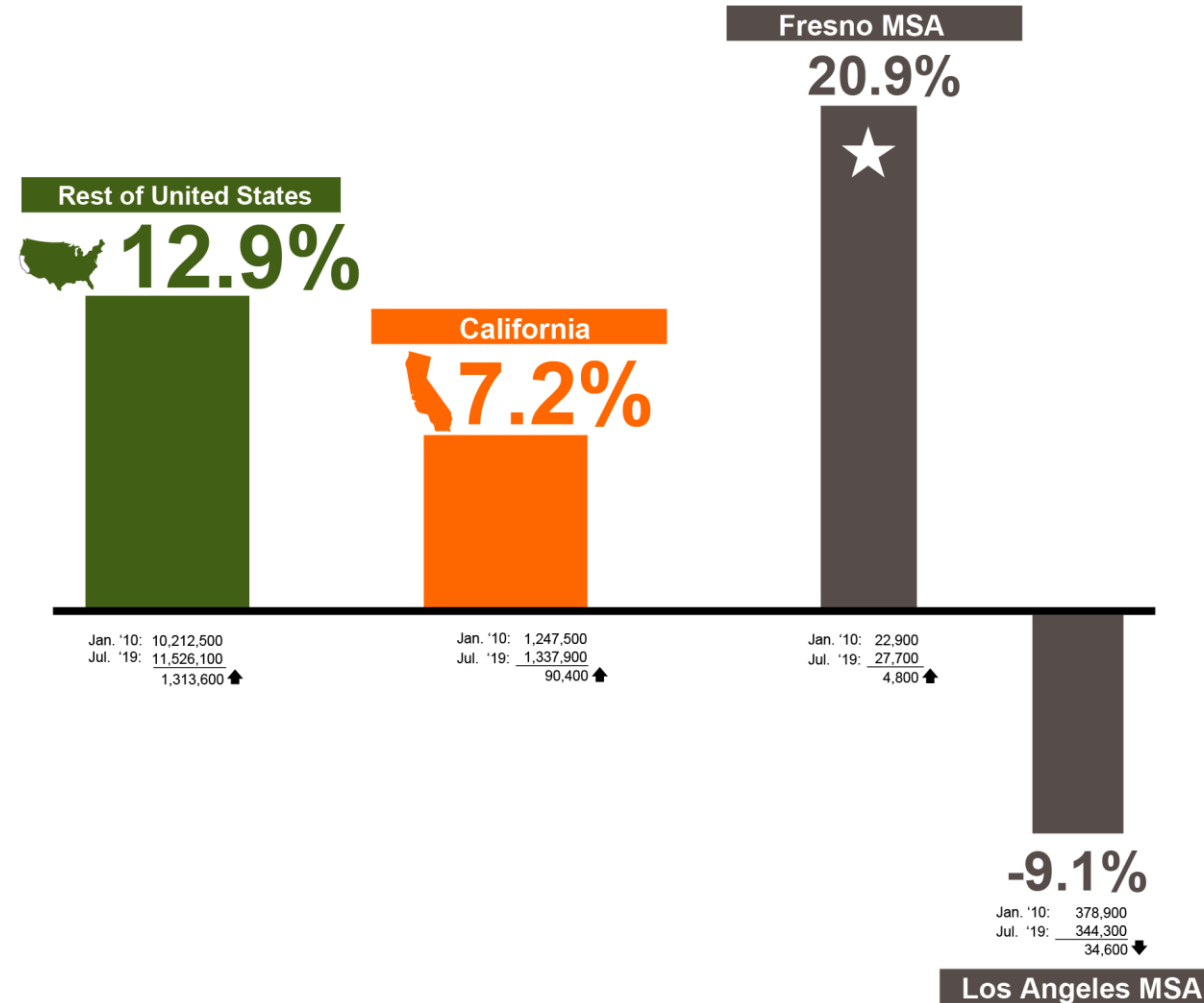
More Relocation Successes

- Universal Meditech relocated from Tulare to North Pointe Industrial Business Park; hired approx. 10 new employees to date
- Ossogood Bone Broth relocated from Santa Rosa, hired approx. 15 new employees to date
- [Surya on its way from Atlanta](#)



CA MFG job growth continues to lag rest of U.S.

Percent change since 2010, end of last recession



Source: CMTA

Presentation to San Joaquin Valley Manufacturers Association, Sept. 2019

Highlight: UCSF School of Medicine Fresno Branch Campus

Businesses Drawn by Strong Education, Healthcare Anchors

- Annually trains more than 300 physicians, nearly 50% stay in the Valley, and trains 300 rotating medical students each year;
- San Joaquin Valley PRIME is tailored track educating 6 students in 2019 and 12 in 2020 with long-term objective of 50
- Proposed state budget allocates \$15M in ongoing funding
- Expanding Medical Education Act of 2020 introduced by Congressman Jim Costa to allocate \$50M if approved



OBJECTIVE ED-4

Cultivate a skilled, educated, and well-trained workforce by increasing educational attainment and the relevant job-skill levels in order to appeal to local and non-local businesses

Education

Career Technical Education Charter (CTEC) high school with new Innovation Center

- Grades 9-12, 162 students enrolled in its first year 2019

Geekwise Academy

- 4,500 students trained to date, 155 currently enrolled

Phillip J Patiño School of Entrepreneurship

- Grades 10-12; 226 students enrolled

Duncan Polytechnical

- Grades 9-12; 206 graduates in 2019, 1,108 currently enrolled

Workforce Development

Establishment of **Manufacturing Alliance** (partnership) and **Valley Made** event

- 1,000+ membership, sixth annual event in April 2020

New Employment Opportunities by EDC

- 1,620 participants

State Center Community College District Apprenticeship Program

- Heavy Duty Automotive, Welding, Machining, Maintenance Mechanic, and Food Safety.

Valley Apprenticeship Connections (EOC)

- Construction

Highlight: New Employment Opportunities

NEO

New Employment Opportunities

The NEO Program responds to the needs of enrolled job seekers and provides an incentive to job creators and has provided over **\$12,000,000** reimbursed to participating employers.

| Initial 6 Month Placement | Wage Reimbursement |
|---------------------------|--------------------|
| Weeks 1-13 | 100% |
| Weeks 14-26 | 75% |

PARTICIPATION SINCE PROGRAM INCEPTION (2014)

1,620

311

Job Seekers

Participating
Employers



Highlight: CTEC

Technical career pathway

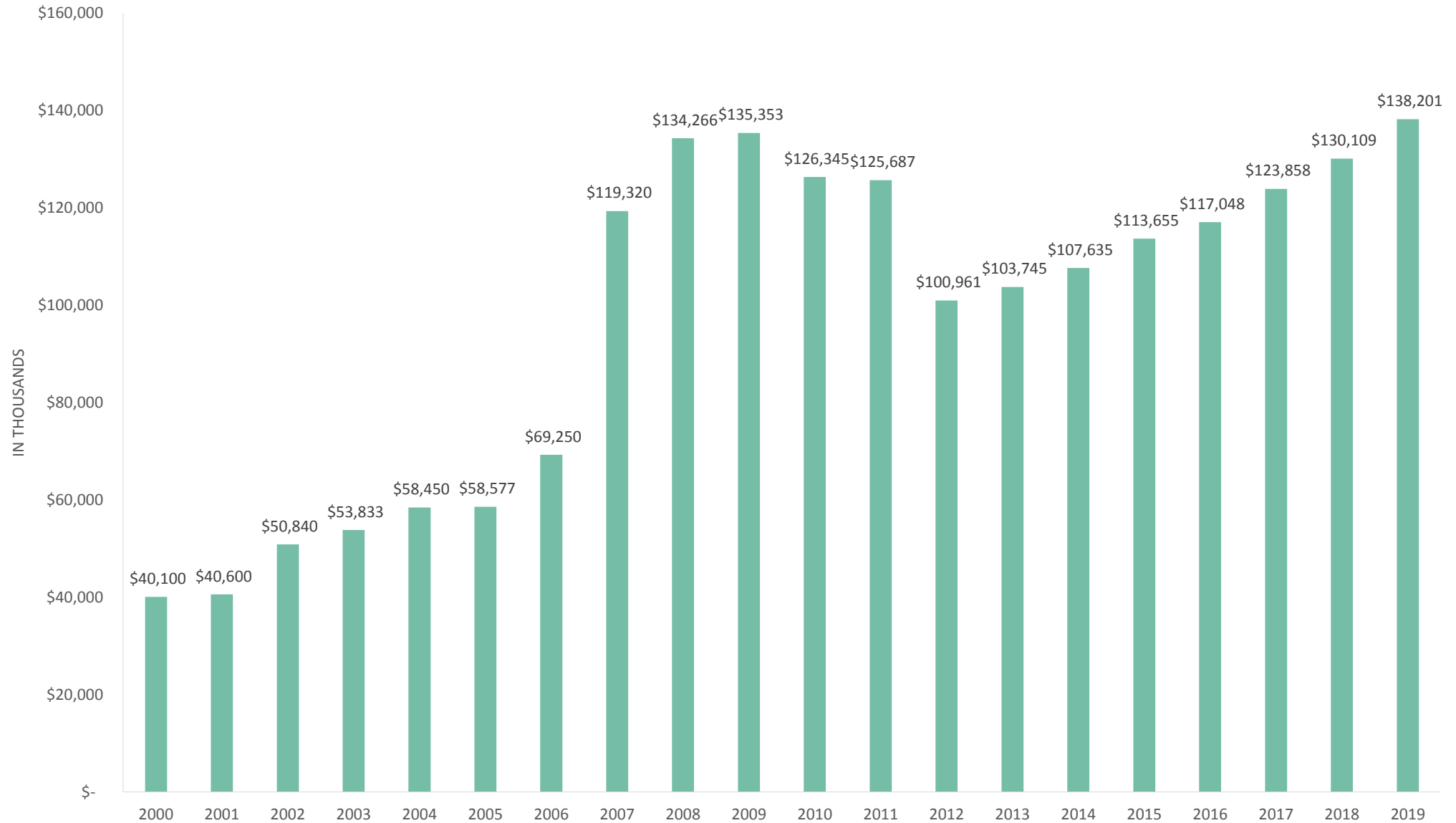
- 162 students enrolled in its first year 2019
- Community-anchored, project-based learning for New Collar professions in Commercial Construction, Advanced Manufacturing

Dual enrollment with Fresno City College



Business Snapshot: City of Fresno

CITY OF FRESNO PROPERTY TAX REVENUE 2000-2019

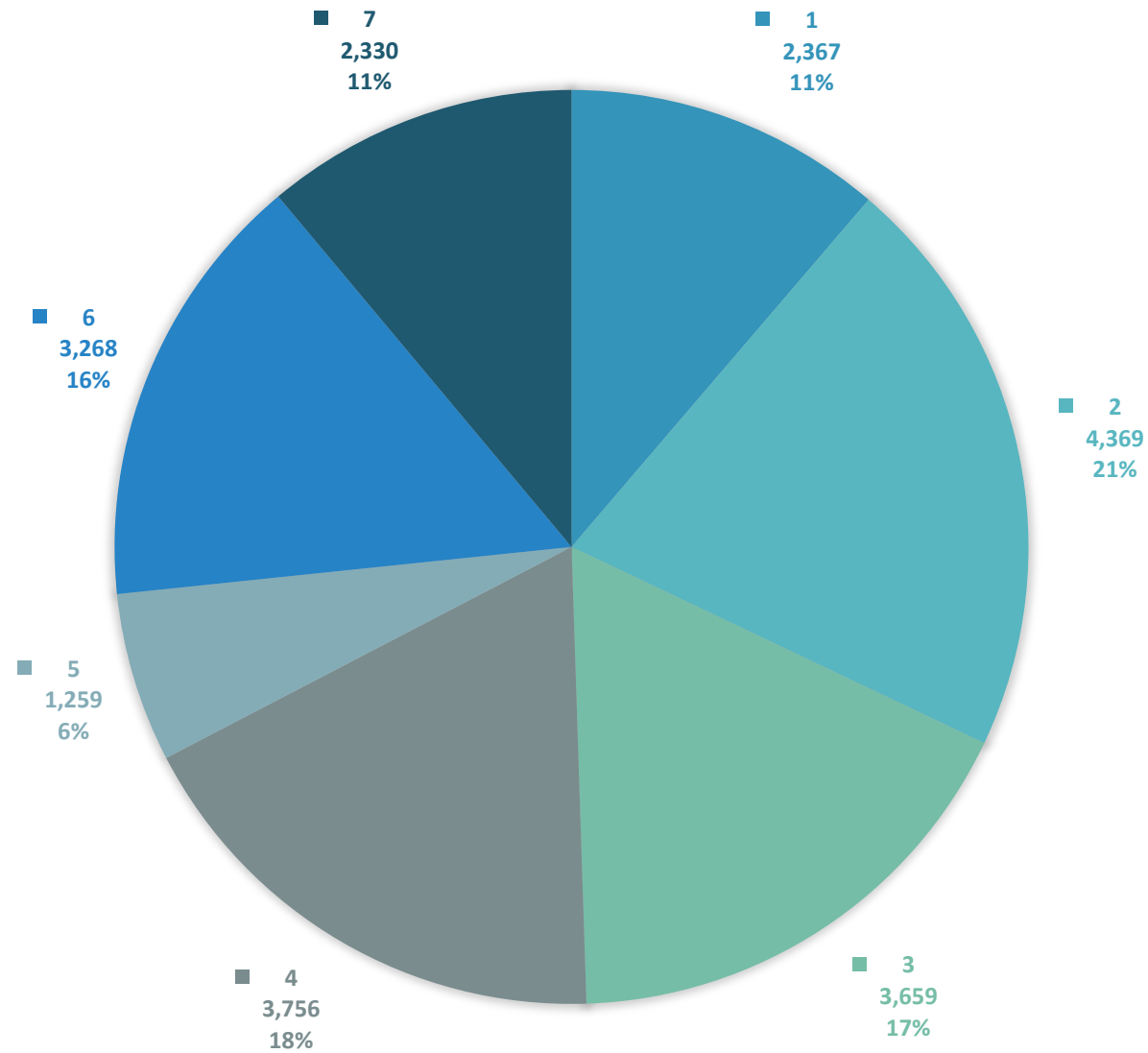


Source: City of Fresno Finance Department

Infill Housing Development

| PROJECT NAME | ADDRESS | UNITS | OTHER |
|---|------------------------------|--|------------------------------|
| Lingo Project | 501 N Blackstone | 88 affordable | 6K SQ FT of Retail |
| Cesar Chavez Foundation Las Palmas de Sal Gonzales | 5070 E Kings Canyon | 89 low-income 46 low-income seniors | Community facilities |
| Granville Properties | Multiple, Downtown | 600 | Live-work units |
| <i>Proposed Units</i> | <i>Downtown</i> | <i>600</i> | |
| <i>Shaw-41 Site</i> | | 142, 20% affordable | |
| <i>Shaw-Glenn Project</i> | <i>63 W Shaw Ave</i> | 138, up to 20% affordable | Studio and one-bedroom units |
| <i>5C Construction Development and Management Inc.:</i> | <i>4914 North Blackstone</i> | 123 market-rate 14 affordable | Retail/ offices |

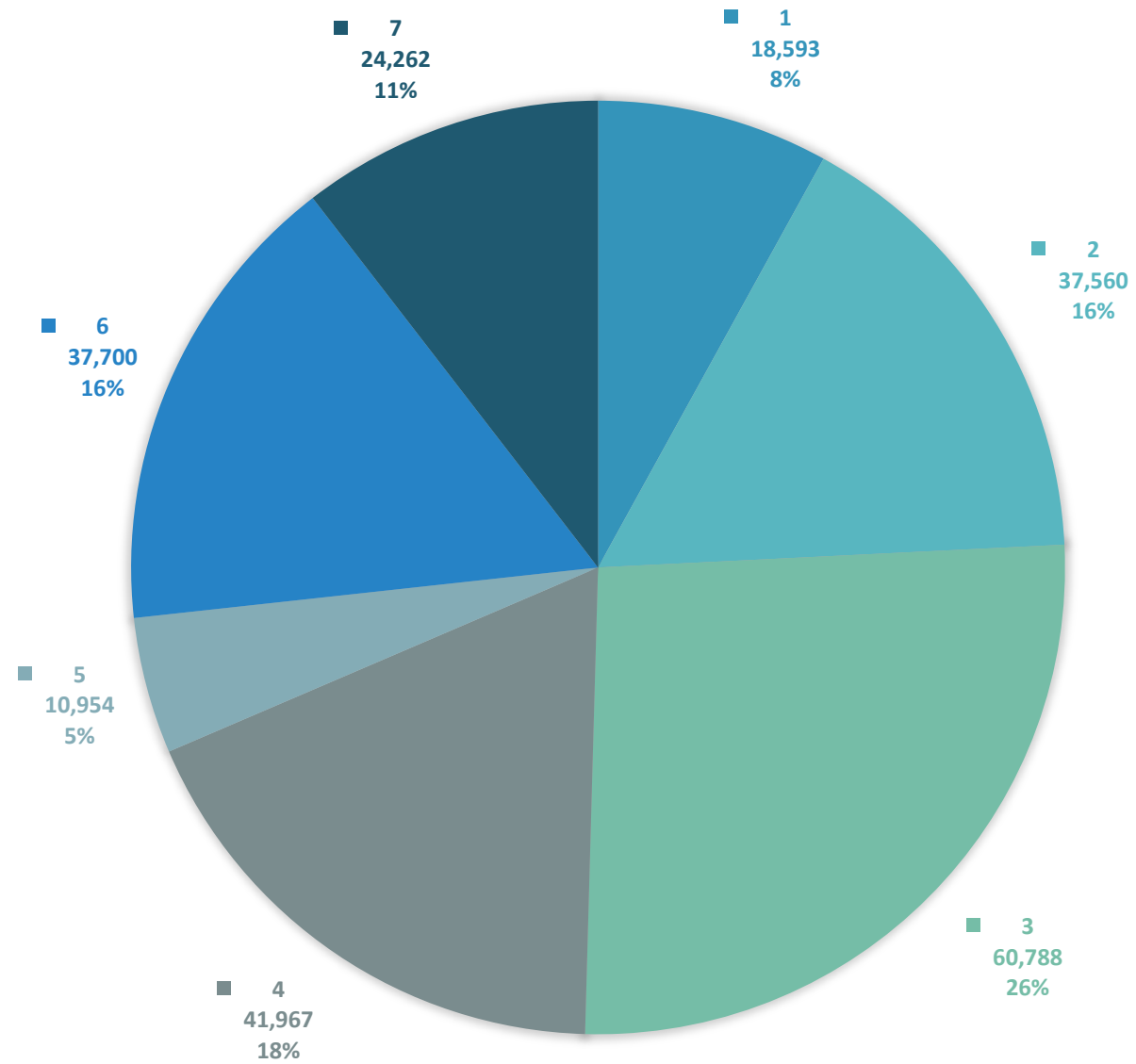
TOTAL BUSINESSES BY COUNCIL DISTRICT



TOTAL=21,008

Source: 2019 ESRI US Business Locations and Business Summary

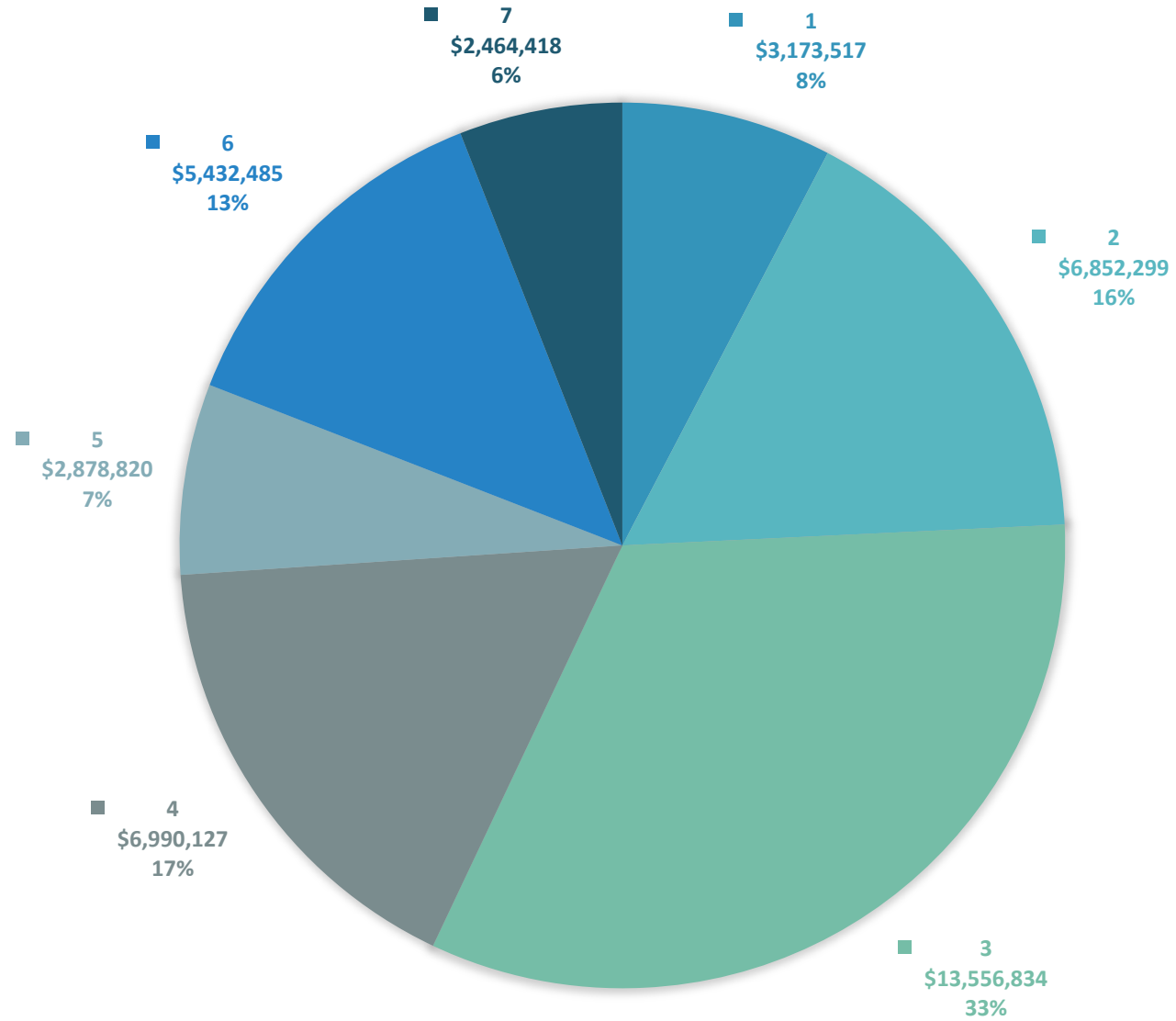
TOTAL EMPLOYEES BY COUNCIL DISTRICT



TOTAL=231,824

Source: 2019 ESRI US Business Locations and Business Summary

ANNUAL SALES BY COUNCIL DISTRICT



TOTAL=\$41,348,500

Source: 2019 ESRI US Business Locations and Business Summary